

EB
DPS-5601
COPY 1 OF 2

November 21, 1958

Dear Doug:

Reference: Contract SP-1915, your letter
DPS-5601, dated November 17, 1958

Your inability to reconcile progress payments between the listing on our letter of September 30, 1958, and our invoice 10-9 is understandable.

As it is the intent to present billings in excess of the tentative contract billing price on a "progress payment" basis, it was necessary to identify costs associated with our billing of the tentative contract billing price of \$2,340,000. The amount of costs we associate with this billing is \$2,136,986.30. Our progress payment billings are based on total costs to date and will be reduced by our estimated amount of costs recovered to arrive at additional billing of costs.

Following this theory our invoice 10-9 indicates total amount eligible for progress payments of \$2,158,940.47, which has been reduced by \$2,136,986.30 to arrive at the progress payment billing of \$21,954.17.

I realize that our basis is arbitrary, however since some basis must be arrived at to continue billing progress payments it is felt that this one is equitable.

I am sorry for the confusion caused by our lack of explanation.

Enclosed are invoices 10-9 and 10-22, which in light of the above, I trust will be approved for payment.

Should our method of billing continuing costs not meet with your approval, your recommendation of an alternate will be appreciated.

Yours very truly,

Hal
Hal

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